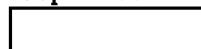Top Secret
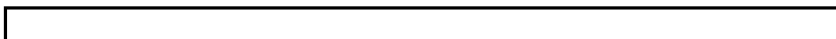
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SPECIAL ANALYSES

USSR: Hard Currency Shortage

Recent actions reported by a broad range of sources suggest that there is considerable anxiety in Moscow over the USSR's current and prospective international financial situation.   25X1
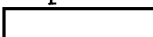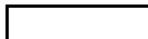
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In addition to this activity, the USSR has been imposing enforced deferred payment on creditors. Moscow has been telling Western exporters, with increasing frequency, that because of cash shortages they should not expect to be paid for Soviet purchases until summer.

The Causes

The primary causes of the cash bind are larger-than-planned imports of grain, meat, and sugar as well as soft world oil prices. These by themselves, however, do not completely account for the USSR's cash flow crisis or the apparent urgency of Moscow's response. Other contributing factors include a substantial reduction in Japanese purchases of Soviet timber and chemical products and a drop in gold prices.   25X1

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The fall in gold prices--caused in part by a spurt
in Soviet gold sales at the turn of the year--may have
caused Moscow to withdraw from that market, as least for
a while. The USSR has normally sold gold more judiciously,
to avoid spoiling the market. ☐

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The Soviets are reluctant to make new requests for
sizable loans in the West, which contributes to the cash
shortage. In light of the stalemate on Polish reschedul-
ing, the USSR is particularly reluctant to ask for new
syndicated credits. ☐

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All of these factors, combined with traditional
Soviet conservatism in financial matters, certainly could
have caused the actions being reported. Moreover, un-
certainties about financial support for Poland and about
US credits for the East aggravate the financial management
problems already caused by Moscow's tight hard currency
position. These factors and uncertainties may have con-
verged early this year, prompting the flurry of actions
by Moscow. ☐

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26 February 1982

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